Please bile

Bond Release Findings

Mine Name: Deremo/Peterson

Operator: Umetco Minerals Corporation

2754 Compass Drive, Suite 280

Grand Junction, Colorado 81506-8788

Disturbed Area: 7 acres

Regraded: 7 acres
Reseeded: 7 acres
Acres Bonded: 7 acres

Surety

Amount: \$33.332 **Form**: Board Contract

Renewable Term: 5 years (1985 dollars)

I.D. No.: M/037/025

Mineral Ownership: Fee

Surface Ownership: Fee

Permit Term: Permit granted in 1979

Acres Proposed for Release: 4.1 acres proposed for full release, 2.9 acres proposed for release from all

but revegetation requirements

Setting and Premining Environment

The site is right next to the Colorado border east of Monticello. Adjacent lands are used for growing dryland beans, grain and safflower and for grazing. The farmlands are mixed with areas of pinyon/juniper woodland where the soils may be very shallow or non-existent on rock outcrops. The terrain is gently rolling, and there are no nearby watercourses.

Operations

Production began prior to 1975 and continued through 1990. The workings were accessed through three shafts in Colorado. The operator used random room and pillar techniques to extract uranium and vanadium ore. Surface disturbances in Utah included a waste pile, a small retention pond, an ore storage pad, power lines, and five vent holes.

Hole Plugging

The operation included five vent holes. One vent hole was retained by the land owner to be used as a well to water his cattle. The four other vent holes were reclaimed. The uncased holes were filled with mine waste to within 10 feet of the surface. The operator waited three months for the waste to settle then poured a five-foot concrete cap and filled the remainder with soil. Where the holes were cased, the operator excavated down eight feet, cut the casing six feet below the surface, welded on a steel cap, then filled the excavated area.

The vent hole that was left to be used as a well was backfilled to approximately 75 feet and plugged with a minimum of five feet of concrete. The operator had a temporary application to pump water from the well for dust suppression during reclamation. The water right, number 05-2714, has now expired, and

Reclamation

Mine Engineering

This was an underground mine accessed by shafts, so there were no highwalls. The steepest slope on the waste pile is about 3h:1v.

A limited amount of low grade ore was left over after mining operations ended, and it was buried in the waste pile.

One road to a vent hole was not reclaimed but, at the request of the land owner, was kept for ranch access. Other

Page 2 of 2 Bond Release Findings Deremo/Peterson Mine, M/037/025

access roads were reclaimed.

Hydrology

There are no natural drainages in the area, and no drainage channels were constructed as part of reclamation.

There is a small, shallow (about 2-foot deep) retention pond that was not regraded. It is small and shallow enough that it presents no danger. At this time, it continues to collect runoff from mine disturbances in Colorado.

There has been very limited erosion in the ore pad area but essentially none from the waste pile. Sediment from the ore pad area goes to a low spot near the waste pile and does not leave the area.

Revegetation

The postmining land uses are farming and grazing. Areas that have been successfully revegetated and have at least 70 of the cover of adjacent areas are the vent holes, the access roads (except for one road that was retained for the postmining land use), and the sediment pond area.

The operator is not seeking release from revegetation requirements for the waste pile or the ore pad. These areas have been seeded four times with limited success, but until 2004, these seedings were all done in years with extreme drought in the area.

Recommendation

I recommend that the operator be released from further reclamation responsibilities on all areas except the waste pile and the ore storage area. Because this site has a Board contract, the operator will need to make this request of the Board.

Inspector

12/9/05 Date